

Message Text

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ORIGIN NEA-12

INFO OCT-01 ADP-00 INT-08 SCEM-02 EA-11 EUR-25 L-03 FTC-01

AID-20 CIAE-00 COME-00 EB-11 FRB-02 INR-10 NSAE-00

RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01

OMB-01 AGR-20 NSC-10 SS-15 STR-08 CEA-02 /191 R

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EB/ORF/FSE:GSBROWN

S/PC -MR. RUSER

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R 252213Z JUL 73

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA

C O N F I D E N T I A L STATE 146463

E.O. 11652: GDS

TAGS: EGEN, EIND, ENRG, SA

SUBJ: STATUS OF AND PROSPECTS FOR SAUDI/US INVESTMENTS

1. DEPARTMENT IN PROCESS OF PREPARING BRIEFING PAPER ON STATUS AND PROSPECTS OF SAUDI/US DIRECT INVESTMENTS IN ENERGY AND OTHER FIELDS IN SAUDI ARABIA. WE ARE AWARE FOLLOWING US COMPANIES HAVE RECENTLY DISCUSSED POSSIBLE JOINT VENTURES WITH SAUDIS BUT DO NOT KNOW IF LIST IS COMPLETE OR IF COMPANIES STILL PURSUING DISCUSSIONS:

A. KAISER ALUMINUM - BUILDING ALUMINUM PLANT USING ELECTRICITY PRODUCED BY GAS TURBINES.

B. MARCONA STEEL/NIPPON STEEL/NIPPON KOKAN KAISHA - STEEL PLANT USING REDUCTION PROCESS.

C. BECHTEL CORPORATION - DESIGNING AND SUPERVISING
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CONSTRUCTION OF 5 BILLION DOLS PETROCHEMICAL COMPLEX.

- - - -
D. DOW CHEMICAL - BUILDING PETROCHEMICAL/FERTILIZER FACILITIES.

E. KELLOGG CORPORATION - USING FLARED GAS TO PROCESS LOW-GRADE SAUDI IRON ORE.

F. PITTSBURG PLATE AND GLASS - BUILDING PETRO-CHEMICAL PLANT.

G. HOUSTON NATURAL GAS - CONSTRUCTION OF METHANOL PLANT.

H. ARAMCO - CONSTRUCTION OF LNG FACILITY.

I. CALTEX AND MARUBINI OF JAPAN - CONSTRUCTION OF METHANOL AND LNG PLANTS.

J. FAIRFIELD-MAXWELL - CONSTRUCTION OF 500,000 BPD REFINERY.

K. HERCULES POWDER - CONSTRUCTION OF PETROCHEMICAL PLANT.

L. STERLING-WINTHROP - CONSTRUCTION OF PHARMACEUTICAL PLANT.

M. GENERAL MOTORS - AUTO/TRUCK ASSEMBLY PLANT (ASSUMING CUSTOMS PROTECTION IS PROVIDED BY SAG).

N. TENNECO - LNG AND METHANOL PLANTS.

O. WILLIAMS COMPANY - FERTILIZER/PETROCHEMICAL PLANT.

P. RYDER TRUCKING COMPANY - BUILDING TRAINING, MAINTENANCE AND SERVICE FACILITIES FOR SAUDI TRUCKING INDUSTRY.

2. WE ALSO AWARE OF JAPANESE INTEREST IN CERTAIN JOINT CONFIDENTIAL

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VENTURES. PRESIDENTS OF JAPANESE OVERSEAS PETROLEUM CORPORATION AND JAPAN PETROLEUM DEVELOPMENT CORPORATION WHO VISITED SAUDI ARABIA LAST APRIL AGREED TO SET UP A COMMITTEE TO IMPLEMENT MAJOR ECONOMIC PROJECTS ON A JOINT VENTURE BASIS. MITSUBISHI AND ARABIAN OIL COMPANY ALSO LOOKING AT JOINT VENTURES, APPARENTLY IN PETRO-CHEMICAL FIELD. WE DO NOT, HOWEVER, HAVE ANY HARD DISCUSSIONS ON SPECIFIC PROJECTS. WE HAVE NO INFORMATION

THAT ANY BRITISH, FRENCH OR WEST GERMAN FIRMS HAVE AS YET
APPROACHED SAUDIS ON POSSIBLE JOINT VENTURES.

3. EMBASSY REQUESTED REVIEW LIST OF AMERICAN FIRMS IN
PARA 1 AND PROVIDE AVAILABLE UP-TO-DATE INFORMATION PLUS
BRIEF DETAILS, IF KNOWN, WHERE EACH PROJECT STANDS AS
WELL AS NAMES OF ANY OTHER FIRMS WE HAVE MISSED. ALSO
REQUESTED PROVIDE LIST OF KNOWN NON-US FIRMS CURRENTLY

HAVING DISCUSSIONS WITH SAUDIS ON POSSIBLE JOINT VENTURE
PROJECTS. ROGERS

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